



Public Service Commission of Wisconsin

Eric Callisto, Chairperson
Mark Meyer, Commissioner
Lauren Azar, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Public Service Commission of Wisconsin
RECEIVED: 05/24/10, 11:05:28 AM

May 24, 2010 – Via E-mail

Ms. Melanie Krause, Co-General Manager
Menasha Electric & Water Utilities
E-mail: mkrause@wppienergy.org

Re: Application to Increase Water Rates

3560-WR-106

Dear Ms. Krause:

The Public Service Commission (Commission) staff submitted its original cost of service exhibit on May 14, 2010. The original exhibit contained erroneous rates for wholesale service to the Town of Menasha. This exhibit corrects the wholesale water rates.

We intend to submit our proposal at the public hearing on June 2, 2010. At least one person must represent your utility at the hearing.

We have used a 6.00 percent rate of return on the estimated water utility net investment rate base for the test year 2010, as recommended by our staff auditor. The proposed rates would increase annual revenues from water public utility service by an estimated \$740,122. Of the total revenue increase, \$487,244 would be from Menasha general service customers, \$129,270 from wholesale service to the Town of Menasha, and \$123,608 would be from the public fire protection charge. Of the increase in public fire protection revenue, \$118,403 would be from Menasha direct charges, and \$5,205 would be from the Town of Menasha.

The large increase in water utility revenues is the result of a 5 percent increase in gross plant investment and a 17 percent increase in operating expenses since your last water rate case in 2006. Step two rates were implemented in 2008.

We have selected some customers for comparison of proposed and present rates (see Schedule 11 of enclosed staff exhibit).

We are recommending to the Commission that your water utility's filed rules and regulations be updated in order to reflect the latest requirements in Wis. Admin. Code ch. PSC 185. A copy is enclosed.

The proposed staff exhibit is intended to give the Commission the staff's viewpoint and is in no way absolute. The utility has the prerogative to present its own case. It may be advantageous to the utility to submit additional information which is believed to be pertinent to substantiate its position. Please note that the Commission will base its decision on the merits of the case.

If you have any questions, please call me at (608) 266-1282.

Ms. Melanie Krause
Docket 3560-WR-106
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'ABE', followed by a horizontal line extending to the right.

Andrew Behm
Public Utility Rate Analyst
Division of Water, Compliance and Consumer Affairs

AJB:w:\exhibit\letters\3560-WR-106.docx

Cc: Paula Pagel, Accounts Manager
Town of Menasha Utility District
E-mail: paulap@town-menasha.com

Docket No. 3560-WR-106
Witness: Andrew Behm
Exhibit No. _____

Menasha Electric & Water Utilities

	<u>Schedule</u>
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SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE	843,203,000	GALLONS
AVERAGE DAILY PUMPAGE	2,310,145	GALLONS
MAXIMUM DAY PUMPAGE	4,897,508	GALLONS
FIRE FLOW: GAL/MIN:	5,000	
DURATION (HOURS):	5	1,500,000 GALLONS
AVERAGE DAY PLUS FIRE FLOW	3,810,145	GALLONS

RATIO:	BASE:	$\frac{2,310,145}{4,897,508}$	=	47.17 %
	MAX DAY:	100-BASE	=	52.83 %

MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY	204,063	GALLONS
MAXIMUM HOUR PUMPAGE	306,094	GALLONS
AVERAGE HOUR PLUS ONE HOUR FIRE FLOW	396,256	GALLONS

RATIO:	BASE:	$\frac{2,310,145}{9,510,145}$	=	24.29 %	Use 24.29 %
	MAX HOUR :	100-BASE	=	75.71 %	Use 75.71 %

**ALLOCATION OF UTILITY FINANCED PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	BASE COST		MAX DAY (\$)	EXTRA-CAPACITY MAX HOUR		BILLING (\$)	CUSTOMER COSTS		FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)		STORAGE (\$)	DISTRIB. (\$)		EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
	INTANGIBLES										
301-3	All intangibles	0	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY										
310	Land and land rights	2	1		1						
311	Structures and improvements	0	0		0						
312	Collecting and impounding reservoirs	212,413	100,195		112,218						
313	Lake, river, and other intakes	7,822	3,690		4,132						
314	Wells and springs	0	0		0						
316	Supply mains	150,759	71,113		79,646						
	PUMPING PLANT										
320	Land and land rights	0	0		0						
321	Structures and improvements	1,053,008	496,702		556,306						
323	Other power production equipment	70,112	33,072		37,040						
325	Electric pumping equipment	1,144,259	539,745		604,514						
326	Diesel pumping equipment	7,133	3,365		3,768						
328	Other pumping equipment	0	0		0						
	WATER TREATMENT PLANT										
330	Land and land rights	397,723	187,605		210,118						
331	Structures and improvements	4,995,610	2,356,420		2,639,190						
332	Water treatment equipment	7,502,798	3,539,056		3,963,742						
	TRANSMISSION AND DISTRIBUTION PLANT										
340	Land and land rights	249,572	26,543	27,325	16,590	36,561	85,163	0	30,763	12,342	14,286
341	Structures and improvements	201,571	21,438	22,069	13,399	29,529	68,784	0	24,846	9,968	11,538
342	Distribution reservoirs and standpipes	1,639,102	398,160			1,240,942					
343	Transmission mains	1,065,840	502,755		563,085						
343	Distribution Mains	3,818,077		927,463			2,890,614				
344	Fire mains	0									0
345	Services	418,922								418,922	
346	Meters	1,044,143							1,044,143		
348	Hydrants	484,879									484,879
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT										
389	Land and land rights	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	8,218	2,781	328	2,957	439	1,023	0	369	148	172
391.1	Computers	36,243	12,267	1,447	13,043	1,936	4,511	0	1,629	654	757
392	Transportation equipment	161,767	54,751	6,459	58,215	8,643	20,132	0	7,272	2,918	3,377
393	Stores equipment	0	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	136,718	46,273	5,459	49,201	7,304	17,015	0	6,146	2,466	2,854
395	Laboratory equipment	27,417	9,279	1,095	9,867	1,465	3,412	0	1,233	494	572
396	Power-operated equipment	36,204	12,253	1,446	13,029	1,934	4,506	0	1,628	653	756
397	Communication equipment	368,520	124,727	14,715	132,619	19,689	45,863	0	16,567	6,647	7,693
398	Miscellaneous equipment	0	0	0	0	0	0	0	0	0	0
399	Other tangible property	0	0	0	0	0	0	0	0	0	0
	TOTAL	25,238,832	8,542,189	1,007,808	9,082,681	1,348,442	3,141,022	0	1,134,595	455,212	526,883

**ALLOCATION OF TOTAL PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	BASE COST		MAX DAY	EXTRA-CAPACITY MAX HOUR		BILLING (\$)	CUSTOMER COSTS		FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)		STORAGE (\$)	DISTRIB. (\$)		EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
INTANGIBLES											
301-3	All intangibles	0	0		0	0	0	0	0	0	0
SOURCE OF SUPPLY											
310	Land and land rights	2	1		1						
311	Structures and improvements	0	0		0						
312	Collecting and impounding reservoirs	212,413	100,195		112,218						
313	Lake, river, and other intakes	7,822	3,690		4,132						
314	Wells and springs	0	0		0						
316	Supply mains	150,759	71,113		79,646						
PUMPING PLANT											
320	Land and land rights	0	0		0						
321	Structures and improvements	1,053,008	496,702		556,306						
323	Other power production equipment	70,112	33,072		37,040						
325	Electric pumping equipment	1,144,259	539,745		604,514						
326	Diesel pumping equipment	7,133	3,365		3,768						
328	Other pumping equipment	0	0		0						
WATER TREATMENT PLANT											
330	Land and land rights	411,481	194,095		217,386						
331	Structures and improvements	5,015,905	2,365,993		2,649,912						
332	Water treatment equipment	7,502,798	3,539,056		3,963,742						
TRANSMISSION AND DISTRIBUTION PLANT											
340	Land and land rights	249,572	23,360	28,537	14,601	32,177	88,940	0	27,428	20,747	13,781
341	Structures and improvements	201,571	18,867	23,048	11,792	25,988	71,834	0	22,152	16,757	11,131
342	Distribution reservoirs and standpipes	1,639,102	398,160			1,240,942					
343	Transmission mains	1,065,840	502,755		563,085						
343	Distribution Mains	4,530,611		1,100,548			3,430,063				
344	Fire mains	0									0
345	Services	800,132								800,132	
346	Meters	1,057,772							1,057,772		
348	Hydrants	531,492									531,492
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT											
389	Land and land rights	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	13,785	4,455	619	4,739	698	1,930	0	595	450	299
391.1	Computers	36,243	11,713	1,628	12,459	1,835	5,073	0	1,565	1,183	786
392	Transportation equipment	161,767	52,280	7,266	55,610	8,193	22,645	0	6,983	5,282	3,509
393	Stores equipment	0	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	136,718	44,185	6,141	46,999	6,924	19,138	0	5,902	4,464	2,966
395	Laboratory equipment	27,417	8,861	1,231	9,425	1,389	3,838	0	1,184	895	595
396	Power-operated equipment	36,204	11,700	1,626	12,446	1,834	5,068	0	1,563	1,182	785
397	Communication equipment	368,520	119,099	16,552	126,684	18,663	51,587	0	15,909	12,034	7,993
398	Miscellaneous equipment	0	0	0	0	0	0	0	0	0	0
399	Other tangible property	0	0	0	0	0	0	0	0	0	0
TOTAL		26,432,438	8,542,460	1,187,196	9,086,506	1,338,643	3,700,117	0	1,141,052	863,128	573,337

**ALLOCATION OF DEPRECIATION EXPENSE
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	BASE COST SYSTEM (\$)	DISTRIB. (\$)	MAX DAY (\$)	EXTRA-CAPACITY MAX HOUR		BILLING (\$)	CUSTOMER COSTS		FIRE PROTECT. (\$)
						STORAGE (\$)	DISTRIB. (\$)		EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
	INTANGIBLES										
301-3	All intangibles	0	0		0	0	0	0	0	0	0
	SOURCE OF SUPPLY										
310	Land and land rights	0	0		0						
311	Structures and improvements	0	0		0						
312	Collecting and impounding reservoirs	3,611	1,703		1,908						
313	Lake, river, and other intakes	133	63		70						
314	Wells and springs	0	0		0						
316	Supply mains	2,714	1,280		1,434						
	PUMPING PLANT										
320	Land and land rights	0	0		0						
321	Structures and improvements	36,855	17,384		19,471						
323	Other power production equipment	3,085	1,455		1,630						
325	Electric pumping equipment	62,934	29,686		33,248						
326	Diesel pumping equipment	314	148		166						
328	Other pumping equipment	0	0		0						
	WATER TREATMENT PLANT										
330	Land and land rights	0	0		0						
331	Structures and improvements	159,860	75,406		84,454						
332	Water treatment equipment	247,592	116,789		130,803						
	TRANSMISSION AND DISTRIBUTION PLANT										
340	Land and land rights	0	0	0	0	0	0	0	0	0	0
341	Structures and improvements	6,450	622	532	323	1,040	1,658	0	1,267	536	471
342	Distribution reservoirs and standpipes	31,143	7,565			23,578					
343	Transmission mains	13,856	6,536		7,320						
343	Distribution mains	49,635		12,057			37,578				
344	Fire mains	0									0
345	Services	12,149								12,149	
346	Meters	28,714							28,714		
348	Hydrants	10,667									10,667
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT										
389	Land and land rights	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	477	184	9	200	18	28	0	21	9	8
391.1	Computers	31,432	12,139	591	13,180	1,155	1,842	0	1,407	595	523
392	Transportation equipment	0	0	0	0	0	0	0	0	0	0
393	Stores equipment	0	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	7,930	3,063	149	3,325	292	465	0	355	150	132
395	Laboratory equipment	1,590	614	30	667	58	93	0	71	30	26
396	Power-operated equipment	0	0	0	0	0	0	0	0	0	0
397	Communication equipment	36,852	14,232	693	15,453	1,355	2,159	0	1,650	698	613
398	Miscellaneous equipment	0	0	0	0	0	0	0	0	0	0
399	Other tangible property	0	0	0	0	0	0	0	0	0	0
	TOTAL	747,993	288,869	14,061	313,652	27,496	43,823	0	33,486	14,168	12,440

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	BASE COST		MAX DAY (\$)	EXTRA-CAPACITY MAX HOUR		BILLING (\$)	CUSTOMER COSTS		FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)		STORAGE (\$)	DISTRIB. (\$)		EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
SOURCE OF SUPPLY EXPENSES											
600	Operation supervision and engineering	2,017	951		1,066						
601	Operation labor and expenses	33,520	15,811		17,709						
602	Purchased water	0	0								
603	Miscellaneous expenses	0	0		0						
604	Rents	0	0		0						
610	Maint. supervision and engineering	2,017	951		1,066						
611	Maint. of structures and improvements	386	182		204						
612	Maint. of collect. and impounding reservoirs	386	182		204						
613	Maint. of lake, river and other intakes	286	135		151						
614	Maint. of wells and springs	0	0		0						
615	Maint. of infiltration galleries and tunnels	0	0		0						
616	Maint. of supply mains	0	0		0						
617	Maint. of miscellaneous water source plant	0	0		0						
PUMPING EXPENSES											
620	Operation supervision and engineering	14,070	6,637		7,433						
621	Fuel for power production	300	300								
622	Power production labor and expenses	0	0								
623	Fuel or power purchased for pumping	129,800	129,800								
624	Pumping labor and expenses	108,902	51,369		57,533						
625	Expenses transferred - cr.	0	0		0						
626	Miscellaneous expenses	10,500	4,953		5,547						
627	Rents	0	0		0						
630	Maint. supervision and engineering	10,050	4,741		5,309						
631	Maint. of structures and improvements	39,028	18,409		20,619						
632	Maint. of power production equipment	607	286		321						
633	Maint. of pumping equipment	3,214	1,516		1,698						
WATER TREATMENT EXPENSES											
640	Operation supervision and engineering	34,271	16,166		18,105						
641	Chemicals	519,279	519,279								
642	Operation labor and expenses	429,502	202,595		226,907						
643	Miscellaneous expenses	40,600	19,151		21,449						
644	Rents	0	0		0						
650	Maint. supervision and engineering	22,097	10,423		11,674						
651	Maint. of structures and improvements	2,529	1,193		1,336						
652	Maint. of water treatment equipment	88,216	41,611		46,605						

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	BASE COST		MAX DAY (\$)	EXTRA-CAPACITY MAX HOUR		BILLING (\$)	CUSTOMER COSTS		FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)		STORAGE (\$)	DISTRIB. (\$)		EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
TRANSMISSION AND DISTRIBUTION EXPENSES											
660	Operation supervision and engineering	12,336	570	1,712	312	908	5,336	0	256	2,507	735
661	Storage facilities expenses	6,862	1,667			5,195					
662	Transmission lines expenses	2,534	1,195		1,339						
663	Distribution lines expenses	30,224		7,342			22,882				
663	Meter expenses	3,474							3,474		
664	Customer installations expenses	36,701								36,701	
665	Miscellaneous expenses	54,677	2,526	7,589	1,384	4,023	23,651	0	1,135	11,111	3,259
666	Rents	0	0	0	0	0	0	0	0	0	0
670	Maint. supervision and engineering	12,336	570	1,712	312	908	5,336	0	256	2,507	735
671	Maint. of structures and improvements	8,309	384	1,153	210	611	3,594	0	172	1,689	495
672	Maint. of distr. reservoirs and standpipes	24,200	5,879			18,321					
673	Maint. of transmission mains	12,778	6,027		6,751						
673	Maint. of distribution mains	152,411		37,023			115,388				
674	Maint. of fire mains	0									0
675	Maint. of services	28,259								28,259	
676	Maint. of meters	3,159							3,159		
677	Maint. of hydrants	19,054									19,054
678	Maint. of miscellaneous plant	8,515	393	1,182	215	626	3,683	0	177	1,730	508
CUSTOMER ACCOUNTS EXPENSES											
901	Supervision	2,904						2,904			
902	Meter reading expenses	20,208						20,208			
903	Customer records and collection expenses	70,760						70,760			
904	Uncollectible accounts	800						800			
905	Miscellaneous customer accounts expenses	0						0			
SALES EXPENSES											
910	Sales expenses	81						81			
ADMINISTRATIVE AND GENERAL EXPENSES											
920	Administrative and general salaries	88,356	27,202	3,769	29,748	1,998	11,748	6,189	564	5,519	1,619
921	Office supplies and expenses	16,000	4,926	683	5,387	362	2,127	1,121	102	999	293
922	Administrative expenses transferred - cr.	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	20,975	6,457	895	7,062	474	2,789	1,469	134	1,310	384
924	Property insurance	34,000	10,988	1,527	11,688	1,722	4,759	0	1,468	1,110	737
925	Injuries and damages	34,000	10,467	1,451	11,447	769	4,521	2,381	217	2,124	623
926	Employee pensions and benefits	368,033	113,305	15,701	123,910	8,323	48,935	25,778	2,347	22,990	6,743
928	Regulatory commission expenses	2,800	862	119	943	63	372	196	18	175	51
929	Duplicate charges - cr.	0	0	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	17,502	5,388	747	5,893	396	2,327	1,226	112	1,093	321
931	Rents	600	185	26	202	14	80	42	4	37	11
932	Maintenance of general plant	22,715	6,993	969	7,648	514	3,020	1,591	145	1,419	416
TOTAL		2,607,140	1,252,627	83,599	659,385	45,226	260,551	134,746	13,738	121,282	35,986

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

<u>OPERATING COST</u>	<u>EXTRA-CAPACITY</u>					<u>CUSTOMER COSTS</u>				
	TOTAL	BASE COST	DISTRIB.	MAX	MAX HOUR		BILLING	EQUIV.	EQUIV.	FIRE
	(\$)	SYSTEM	(\$)	DAY	STORAGE	DISTRIB.	(\$)	METER	SERVICE	PROTECT.
		(\$)		(\$)	(\$)	(\$)		(\$)	(\$)	(\$)
OPERATION AND MAINTENANCE	2,607,140	1,252,627	83,599	659,385	45,226	260,551	134,746	13,738	121,282	35,986
DEPRECIATION EXPENSE	747,993	288,869	14,061	313,652	27,496	43,823	0	33,486	14,168	12,440
TAXES AND TAX EQUIVALENT	591,069	191,022	26,547	203,188	29,934	82,740	0	25,516	19,301	12,821
RETURN ON NET INVEST. RATE BASE	1,178,553	398,886	47,061	424,125	62,967	146,673	0	52,981	21,257	24,603
TOTAL	5,124,755	2,131,404	171,267	1,600,350	165,623	533,787	134,746	125,721	176,007	85,850

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	BASE COSTS					EXTRA-CAPACITY MAX. DAY DEMAND				EXTRA-CAPACITY MAX. HOUR DEMAND				
	ANNUAL VOLUME 1,000 GALLONS	AVERAGE DAY VOLUME (GALLONS)	PERCENT (%)	BASE SYSTEM PERCENT (%)	BASE DISTRIB. PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE GALLONS PER DAY	PERCENT (%)	ADJUST. PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE GALLONS PER HOUR	PERCENT (%)	STORAGE ADJUST. PERCENT (%)	DISTR. ADJUST. PERCENT (%)
RESIDENTIAL	208,443	571,077	28.72	28.72	38.99	2.20	1,256,369	28.97	28.97	4.90	116,595	21.47	23.20	28.78
COMMERCIAL	52,330	143,370	7.21	7.21	9.79	1.70	243,729	5.62	5.62	3.70	22,103	4.07	4.40	5.46
INDUSTRIAL	251,000	687,671	34.58	34.58	46.96	1.00	687,671	15.86	15.86	2.00	57,306	10.55	11.40	14.15
PUBLIC AUTHORITY	15,520	42,521	2.14	2.14	2.90	1.70	72,285	1.67	1.67	3.70	6,555	1.21	1.30	1.62
TOWN OF MENASHA	191,203	523,844	26.35	26.35	0.00	1.10	576,228	13.29	13.29	1.86	40,598	7.47	0.00	0.00
PUBLIC FIRE PROTECTION	7,258	19,884	1.00	1.00	1.36		1,500,000	34.59	34.59		300,000	55.23	59.69	50.00
TOTALS	725,754	1,988,366	100.00	100.00	100.00		4,336,282	100.00	100.00		543,157	100.00	100.00	100.00

50.00 <-- Public Fire % Limits --> 80.00 50.00

MAX.-DAY DEMAND = 4,804,764 (GAL/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

MAX.-HOUR DEMAND = 325,177 (GAL/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

0.98 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.06 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

<u>Meter size (inches):</u>	<u>NUMBER OF METERS</u>													<u>TOTAL</u>	
	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	<u>METERS</u>	<u>PERCENT</u>
RESIDENTIAL	4,713	3	30	0	1	2	0	0	0	0	0	0	0	4,749	94.71
COMMERCIAL	126	5	26	0	13	26	0	8	0	0	0	0	0	204	4.07
INDUSTRIAL	2	0	3	0	3	7	0	4	7	2	0	1	0	29	0.58
PUBLIC AUTHORITY	5	0	3	0	3	9	0	5	5	0	0	0	0	30	0.60
TOWN OF MENASHA	0	0	0	0	0	0	0	0	0	2	0	0	0	2	0.04
TOTALS	4,846	8	62	0	20	44	0	17	12	4	0	1	0	5,014	100.00

Allocation factor: <u>Meter size (inches):</u> <u>Equiv. meter ratio:</u>	<u>EQUIVALENT METERS</u>													<u>TOTAL</u>	
	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	<u>EQUIV.</u>	<u>PERCENT</u>
	<u>1.0</u>	<u>1.0</u>	<u>2.5</u>	<u>3.7</u>	<u>5.0</u>	<u>8.0</u>	<u>12.5</u>	<u>15.0</u>	<u>25.0</u>	<u>50.0</u>	<u>80.0</u>	<u>120.0</u>	<u>160.0</u>	<u>METERS</u>	
RESIDENTIAL	4,713	3	75	0	5	16	0	0	0	0	0	0	0	4,812	77.16
COMMERCIAL	126	5	65	0	65	208	0	120	0	0	0	0	0	589	9.45
INDUSTRIAL	2	0	8	0	15	56	0	60	175	100	0	120	0	536	8.59
PUBLIC AUTHORITY	5	0	8	0	15	72	0	75	125	0	0	0	0	300	4.80
TOWN OF MENASHA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TOTALS	4,846	8	155	0	100	352	0	255	300	100	0	120	0	6,236	100.00

Allocation factor: <u>Meter size (inches):</u> <u>Equiv. service ratio:</u>	<u>EQUIVALENT SERVICES</u>													<u>TOTAL</u>	
	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	<u>EQUIV.</u>	<u>PERCENT</u>
	<u>1.0</u>	<u>1.0</u>	<u>1.3</u>	<u>1.7</u>	<u>2.0</u>	<u>3.0</u>	<u>3.5</u>	<u>4.0</u>	<u>5.0</u>	<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>9.0</u>	<u>SERVICES</u>	
RESIDENTIAL	4,713	3	39	0	2	6	0	0	0	0	0	0	0	4,763	90.64
COMMERCIAL	126	5	34	0	26	78	0	32	0	0	0	0	0	301	5.72
INDUSTRIAL	2	0	4	0	6	21	0	16	35	12	0	8	0	104	1.98
PUBLIC AUTHORITY	5	0	4	0	6	27	0	20	25	0	0	0	0	87	1.65
TOWN OF MENASHA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TOTALS	4,846	8	81	0	40	132	0	68	60	12	0	8	0	5,255	100.00

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PUBLIC	TOWN OF	PUBLIC
	(\$)	(\$)	(\$)	(\$)	AUTHORITY	MENASHA	FIRE
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	PROTECTION
BASE COSTS - SYSTEM	2,131,404	612,159	153,684	737,141	45,579	561,528	21,314
BASE COSTS - DISTRIBUTION	171,267	66,784	16,766	80,419	4,973	0	2,325
EXTRA-CAPACITY COSTS:							
MAX.-DAY	1,600,350	463,676	89,951	253,792	26,678	212,663	553,591
MAX.-HOUR STORAGE	165,623	38,425	7,284	18,886	2,160	0	98,868
MAX.-HOUR DISTRIBUTION	533,787	153,626	29,123	75,507	8,637	0	266,893
CUSTOMER COSTS:							
BILLING	134,746	127,625	5,482	779	806	54	
EQUIVALENT METERS	125,721	97,012	11,875	10,796	6,038	0	
EQUIVALENT SERVICES	176,007	159,541	10,076	3,480	2,911	0	
FIRE PROTECTION	85,850						85,850
TOTAL COST	5,124,755	1,718,847	324,240	1,180,800	97,782	774,245	1,028,841
LESS OTHER REVENUE	171,515	45,745	8,630	31,426	2,602		83,112
COST OF SERVICE	4,953,240	1,673,102	315,610	1,149,374	95,180	774,245	945,729
REVENUE AT PRESENT RATES	4,213,118	1,426,649	253,872	985,065	80,436	644,975	822,121
DIFFERENCE	740,122	246,453	61,738	164,309	14,744	129,270	123,608
PERCENT INCREASE/DECREASE	17.57	17.27	24.32	16.68	18.33	20.04	15.04

MENASHA ELECTRIC & WATER UTILITIES

Comparison of Revenue

at

Present Rates, Cost of Service and Proposed Rates

Customer Class	Revenue at Present Rates	Cost of Service		Proposed Rates		
		Revenue Required	Increase Over Present Rates	Revenue	Increase Over Present Rates	Percent of Cost of Service
Residential	\$ 1,426,649	\$ 1,673,102	17%	\$ 1,658,215	16%	99%
Commercial	253,872	315,610	24%	301,275	19%	95%
Industrial	985,065	1,149,374	17%	1,179,395	20%	103%
Public Authority	80,436	95,180	18%	94,887	18%	100%
Town of Menasha	644,975	774,245	20%	773,970	20%	100%
Public Fire Protection	822,121	945,729	15%	946,202	15%	100%
Total	\$ 4,213,118	\$ 4,953,239	18%	\$ 4,953,942	18%	100%
Public Fire Protection						
Menasha	\$ 787,501	\$ 905,904	15%	\$ 906,374	15%	100%
Town of Menasha	34,620	39,825	15%	39,828	15%	100%
Total	\$ 822,121	\$ 945,729	15%	\$ 946,202	15%	100%
Total - General Service and Public Fire Protection						
Menasha	\$ 3,533,523	\$ 4,139,169	17%	\$ 4,140,144	17%	100%
Town of Menasha	679,595	814,070	20%	813,798	20%	100%
Total	\$ 4,213,118	\$ 4,953,239	18%	\$ 4,953,942	18%	100%

Menasha Electric and Water Utilities

Proposed Water Rates and RulesPublic Fire Protection Service - - - Fd-1

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

This service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Monthly Public Fire Protection Service Charges:

5/8 -inch meter - \$	12.11	3 -inch meter - \$	182.00
3/4 -inch meter - \$	12.11	4 -inch meter - \$	303.00
1 -inch meter - \$	30.30	6 -inch meter - \$	606.00
1 1/4 -inch meter - \$	44.80	8 -inch meter - \$	969.00
1 1/2 -inch meter - \$	60.60	10 -inch meter - \$	1,453.00
2 -inch meter - \$	96.90	12 -inch meter - \$	1,937.00

Customers who are provided service under Schedules Mg-1, Ug-1, Mgt-1, or Mz-1, shall also be subject to the charges in this schedule.

Billing: Same as Schedule Mg-1.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Monthly Private Fire Protection Service Demand Charges:

2-inch or smaller connection	\$ 17.00
3-inch connection	\$ 32.00
4-inch connection	\$ 53.00
6-inch connection	\$ 106.00
8-inch connection	\$ 170.00
10-inch connection	\$ 254.00

12-inch connection	\$ 339.00
14-inch connection	\$ 423.00
16-inch connection	\$ 508.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Monthly Service Charges:

$\frac{5}{8}$ -inch meter - \$	9.00	3 -inch meter - \$	55.00
$\frac{3}{4}$ -inch meter - \$	9.00	4 -inch meter - \$	85.00
1 -inch meter - \$	14.00	6 -inch meter - \$	150.00
1 $\frac{1}{4}$ -inch meter - \$	18.00	8 -inch meter - \$	230.00
1 $\frac{1}{2}$ -inch meter - \$	23.00	10 -inch meter - \$	335.00
2 -inch meter - \$	34.00	12 -inch meter - \$	440.00

Plus Volume Charges:

First	20,000 gallons used per month - \$5.49 per 1,000 gallons
Next	180,000 gallons used per month - \$5.13 per 1,000 gallons
Next	800,000 gallons used per month - \$5.03 per 1,000 gallons
Over	1,000,000 gallons used per month - \$4.12 per 1,000 gallons

Billing: Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Combined Metering: Volumetric meter readings will be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and shall not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Meter readings from individually metered separate service laterals shall not be combined for billing purposes.

Other Charges - - - OC-1

Non-Sufficient Funds Charge: A \$31.00 charge shall apply to the customer's account when a check rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the check was for payment of multiple services.

Billing: Same as Schedule Mg-1.

Wholesale Service to the Town of Menasha - - - W-1

Water will be supplied on a wholesale basis to the Town of Menasha at the following rates:

Public Fire Protection Service

Service Charge: \$3,319.00 per month

General Service

Service Charge: None

Volume Charges:

First	10,000,000 gallons used per month - \$4.20 per 1,000 gallons
Next	5,000,000 gallons used per month - \$3.90 per 1,000 gallons
Next	5,000,000 gallons used per month - \$3.48 per 1,000 gallons
Over	20,000,000 gallons used per month - \$3.24 per 1,000 gallons

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Water service supplied to municipal buildings, schools, sewer treatment plants, etc., shall be metered and the regular metered service rates (Schedule Mg-1) applied.

Water used on an intermittent basis for flushing sewers, street sprinkling, flooding skating rinks, drinking fountains, etc., shall be metered where meters can be set to measure the service. Where it is impossible to measure the service, the superintendent shall estimate the volume of water used based on the pressure, size of opening, and period of time water is allowed to be drawn. The estimated quantity used shall be billed at the rate of \$5.03 per 1,000 gallons.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Where the utility cannot immediately install its water meter, service may be supplied temporarily on an unmetered basis. Such service shall be billed at the rate of \$30.96 per month. This rate shall be applied only to single-family residential and small commercial customers and approximates the cost of 4,000 gallons of water per month under Schedule Mg-1. If it is determined by the utility that usage is in excess of 4,000 gallons of water per month, an additional charge per Schedule Mg-1 will be made for the estimated additional usage.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Seasonal customers* shall pay an annual seasonal service charge equal to twelve times the applicable service charge in Schedule Mg-1. Water use in any billing period shall be billed at the applicable volume rates in Schedule Mg-1 and the charge added to the annual seasonal service charge.

For disconnections of service not previously considered as seasonal, emergency, or temporary, if service is resumed at the same premises by the same customer within a 12-month period, and if there has been no service to another customer during the intervening period, the customer shall be billed for the pro rata share of the applicable service charge for the period of disconnection.

Further, if service has been disconnected or a meter removed, a charge under Schedule R-1 shall be applied at the time of reconnection or meter reinstallation.

*Seasonal customers are general service customers whose use of water is normally for recurring periods of less than a year.

Billing: Same as Schedule Mg-1.

Building and Construction Water Service - - - Mz-1

For single-family and small commercial buildings, apply the unmetered rate (Schedule Ug-1).

For large commercial, industrial, or multiple apartment buildings, a temporary metered installation shall be made and general metered rates (Schedule Mg-1) applied.

Billing: Same as Schedule Mg-1.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered, or at the direction of the utility, estimated. Utility personnel or a utility approved party shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's immediate service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as irrigation or the filling of swimming pools; or,
- C. Water supplied from hydrants or other temporary connections for general service type applications. (Water supplied for construction purposes - see Schedule Mz-1.)

A charge for the volume of water used will be billed to the party using the water at \$5.49 per 1,000 gallons. A service charge, in addition to the volumetric charge, will be \$60.00. In addition, for meters that are assigned to bulk water customers for more than 30 days, the applicable service charge in Schedule Mg-1 will apply after the first 30 days.

The water utility may require reasonable deposits for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected will be refunded upon return of the utility's equipment. Damaged or lost equipment will be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Automatic Meter Reading Meters - - - AMR-1

Delete.

Reconnection Charges - - - R-1

	<u>During Normal Business Hours</u>	<u>After Normal Business Hours</u>
Reinstallation of meter, including valving at curb stop	\$ 60.00	\$ 80.00
Valve turned on at curb stop	\$ 55.00	\$ 75.00

Note: No charge for disconnection.

Billing: Same as Schedule Mg-1.

Water Lateral Installation Charge - - - Cz-1

Subdivision developers shall be responsible, where the main extension has been approved by the utility, for the water service lateral installation costs from the main through the curb stop and box.

When the cost of a utility main extension is to be collected through assessment by the municipality, the actual average water lateral installation costs from the main through the curb stop and box shall be included in the assessment of the appropriate properties.

The initial water service lateral(s), not installed as part of a subdivision development or an assessable utility extension, will be installed from the main through the curb stop and box by the utility, for which the actual cost will be charged.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1. Incorporate the operating rules for municipal water utilities as provided by the Public Service Commission.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

- A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat. § 66.0703 will apply, and no additional customer contribution to the utility will be required.
- B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:
 - 1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under A.
 - 2. Part of the contribution required in B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the

amount which would have been assessed under A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the proportionate amount which would have been required under A., nor will it exceed the total assessable cost of the original extension.

- C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under A.

Water Main Installations in Platted Subdivisions - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

MENASHA ELECTRIC & WATER UTILITIES

Customer Water Bill Comparison at Present and Proposed Rates

Customer Type	Meter Size (Inches)	Volume 1,000 Gallons	Monthly		Percent Change
			Bills at Old Rates	Bills at New Rates	
Small Residential	5/8	2	\$ 17.74	\$ 19.98	13%
Average Residential	5/8	4	26.48	30.96	17%
Large Residential	5/8	20	96.40	118.80	23%
Commercial	5/8	50	224.50	272.70	21%
Commercial	3/4	75	331.25	400.95	21%
Commercial	1	100	443.00	534.20	21%
Commercial	1 1/2	150	665.50	799.70	20%
Commercial	2	200	890.00	1,067.20	20%
Public Authority	4	400	1,775.00	2,124.20	20%
Public Authority	4	1,300	5,312.00	6,378.20	20%
Large Commercial	3	1,700	6,662.00	7,996.20	20%
Large Industrial	4	2,500	9,452.00	11,322.20	20%
Large Industrial	6	4,000	14,692.00	17,567.20	20%
Large Industrial	6	5,500	19,867.00	23,747.20	20%
Large Industrial	10	9,000	32,127.00	38,352.20	19%
Public Fire Protection (Annually, Menasha only)			787,501.00	906,373.68	15%